



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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September 21, 2001

## CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 9491

Bruce Evans  
Nephi Sandstone Corporation  
P.O. Box 137  
Nephi, Utah 84648

Re: Notice of Potential Non-Compliance & Division Directive, Nephi Sandstone Corporation, Cedar Springs, M/023/059, Juab County, Utah

Dear Mr. Evans:

On March 2, 2000, the Division received your notice of intention to commence large mining operations at your Cedar Springs site, located in the SE1/4 of Section 15, T16S, R1W, Juab County, Utah. The site was originally permitted and approved as a small mining operation. During a September 1999 site inspection, it was determined that approximately seven (7) acres had been disturbed. This disturbance exceeded the five-acre threshold for a small mining operation.

On December 20, 1999, you filed a \$30,000 interim surety with the Division to cover the anticipated reclamation costs for the disturbances associated with this mine site. On May 17, 2000, the Division sent an initial review of your large mining notice and requested that you respond to the technical deficiencies within 30 days. Numerous time extensions have since been granted for receipt of your response to our review comments. Nearly 18 months have now passed since you originally filed your Large Mining Operations Notice of Intention. Your annual reports indicate that operations have been suspended at the mine site for nearly 2 years.

On August 31, 2001, you spoke with Tom Munson of the Minerals Program staff. You informed Mr. Munson that you were now having some legal problems confirming mineral ownership at the site. You stated that further permitting action would be suspended until this matter is resolved. You also said that the site would be reclaimed if the minerals rights dispute

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Bruce Evans

S/023/059

September 21, 2001

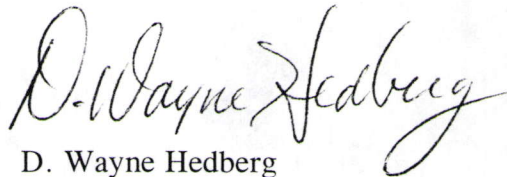
was not settled in your favor. Mr. Munson asked you to send us a letter explaining the circumstances of the current situation.

To date, we have not received further correspondence from you regarding a timeframe for completing the permitting process for this large mining operation. Therefore, *Nephi Sandstone Corporation is hereby directed to contact the Division within 10 days of your receipt of this letter to schedule a meeting to discuss options to remedy this situation.* Please contact Vicki Southwick, Executive Secretary, at (801) 538-5304 to arrange a meeting with the Associate Director to resolve this matter. Nephi Sandstone Corporation's failure to respond accordingly may result in the issuance of a formal Notice of Non-Compliance. This enforcement action could require immediate reclamation of all mining-related disturbances, and other penalties as authorized by state law.

Until this issue is resolved, you must restrict your mining operations to the existing 7-acre disturbed area footprint. Before mining operations resume, you must mark the boundary of this 7-acre area with metal T-posts (or other suitable markers) to ensure that operations are not conducted outside of the current disturbed area before your large mining notice is approved.

If you have any questions regarding the requirements of this notice, please contact me at (801) 538-5286, or Tom Munson 538-5321. Thank you for your immediate attention to this matter.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb

cc: Mary Ann Wright, DOGM  
Tom Munson, DOGM  
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